Calendar No. 76

98TH CONGRESS
1st Session

SENATE

REPORT
No. 98–48

TECHNICAL INFORMATION CLEARINGHOUSE FUND

MARCH 31, 1983.—Ordered to be printed
Filed under authority of the order of the Senate of MARCH 24 (legislative day, MARCH 21), 1983

Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

[To accompany S. 808]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 808) to enhance the transfer of technical information to industry, business, and the general public by amending the Act of September 9, 1950 (15 U.S.C. 1151 et seq.), to establish a Technical Information Clearinghouse Fund, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

This legislation establishes a revolving fund, without fiscal year limitation, in the Department of the Treasury, to carry out the technical information clearinghouse activities of the National Technical Information Service. The bill also authorizes a one-time appropriation of $5 million to provide working capital for the revolving fund.

BACKGROUND AND NEED

The National Technical Information Service (NTIS) was created in 1970 by the Secretary of Commerce. At that time, the Clearinghouse for Federal Scientific and Technical Information, mandated by the act of September 9, 1950 (15 U.S.C. 1151 *et seq.*), and located at the National Bureau of Standards, was reassigned to NTIS. The Department of the Treasury assigned a trust fund to account for NTIS activities.

NTIS is the central source for the public sale of research, development and engineering reports by governmental agencies and contrac-

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tors as well as for Government-generated computer-processable data files. NTIS sells its products and services on a self-sustaining basis with annual gross revenues of about $22 million.

The Department of Commerce, the General Accounting Office (GAO) and the Office of Management and Budget (OMB) examined the use of the trust fund and concluded it was not adequate for NTIS's needs. Since NTIS cannot retain earnings, it cannot develop a reservoir of working capital to finance operations during low cash periods. In addition, the trust fund mechanism provides no authority to purchase capital assets, thus, appropriations are constantly required to replace old equipment or to provide new services and equipment.

The proposed legislation would establish a revolving fund in the Treasury to fund the activities of NTIS, and authorize a one-time appropriation of $5 million as a reservoir of working capital for the fund. This $5 million would essentially serve as a "line of credit." During low-cash periods, NTIS would draw on this capital to finance operations. During high-cash periods, this capital would be replaced from revenues; thus, no net budget outlay would occur. The bill also authorizes NTIS to retain earnings to replace capital and assets and inventories.

Committee Views and Recommendation

The Committee agrees that the decision to use a revolving fund mechanism to fund NTIS activities is justified. The revolving fund mechanism utilizes a cost accounting system similar to that used by private companies. The Committee believes that such a change will modernize NTIS's financial practices, assist in matching costs with revenues, allow for more accurate representation of NTIS's overall financial status and generally improve management control over NTIS operations.

The Committee reiterates its concern that NTIS should continue to be self-sustaining. The mission of NTIS, to promote technology and information utilization and dissemination, is very important for the improvement of U.S. industrial productivity and competitiveness. The Committee supports the effort of NTIS and encourages the Department of Commerce to make effective and efficient use of this agency by promoting a full array of services and products.

Legislative History

A draft bill to establish a Technical Information Clearinghouse Fund was transmitted to the Congress by the Secretary of Commerce on February 16, 1983. The Subcommittee on Science, Technology, and Space received written testimony on this legislation on February 22, 1983, as part of the hearing on the National Bureau of Standards. On March 15, 1982, S. 808, identical to the administration's draft, was introduced, by request, by Senator Packwood. On March 22, 1982, the Committee on Commerce, Science, and Transportation considered and ordered to be reported S. 808.

Estimated Costs

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

U.S. Congress,
Congressional Budget Office,
Washington, D.C., March 24, 1983.

Hon. Bob Packwood,
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed S. 808, the Technical Information Clearinghouse Fund Act of 1983, as ordered reported by the Senate Committee on Commerce, Science, and Transportation, March 22, 1983.

This bill would establish a public enterprise revolving fund for the National Technical Information Service (NTIS), which collects and distributes scientific and business information generated by the Federal Government, and promotes and licenses government-owned inventions. S. 808 authorizes a one-time appropriation of $5 million to establish the revolving fund, which would replace the current practice of using trust, reimbursable, and consolidated working funds at NTIS. The revolving fund would allow NTIS to retain net earnings, thus allowing for replacement of capital equipment as well as allowing the fund to finance operations in the event of cash flow lags. Since the fund would be self-sufficient, with reimbursements covering expenses, it is expected that no net outlays would result from obligation of the $5.0 million.

Enactment of this bill would not affect the budgets of State and local governments.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

James Blum
(For Alice M. Rivlin, Director).

Regulatory Impact Statement

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation:

The bill, S. 808, establishes a Technical Information Clearinghouse Fund and authorizes an appropriation of $5 million as a corpus for the Fund.

The bill does not regulate business activity, or any private activity. The Committee concludes, therefore, that the implementation of this bill will have no impact on the personal privacy of any individual or

business. No records will be required to be kept by any individual or business, nor will any reports need to be filed as a result of the enactment of S. 808.

Section-by-Section Analysis

Section 1

Cities the short title as the Technical Information Clearinghouse Fund Act of 1983.

Section 2

Adds a new section 8 to the act.

Subsection 8(a) establishes the revolving Fund without fiscal year limitation in the Treasury for use by the Secretary of Commerce to carry out the activities of the clearinghouse.

Subsection 8(b) authorizes inclusion in the Fund of all revenues including appropriations of the clearinghouse.

Subsection 8(c) authorizes use of the revolving fund to pay all costs of clearinghouse activities; defines "costs".

Subsection 8(d) authorizes refunds from the Fund for fees paid in error or in excess.

Subsection 8(e) requires the Secretary to transfer moneys in excess of any present or future reasonable requirement of the Fund from the revolving fund to the general treasury at the close of each fiscal year.

Subsection 8(f) authorizes an appropriation of $5 million for working capital for the Fund.

Section 3

Amends section 3 of the act to require that fees promulgated by the Secretary of Commerce reflect, to the extent feasible, the costs of products and services.

Changes in Existing Law

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new material is printed in italic, existing law in which no change is proposed is shown in roman):

The Act of September 9, 1950

Sec. 1.–2. * * *

Section 3 of that Act

RULES, REGULATIONS, FEES

Sec. 3. The Secretary is authorized to make, amend, and rescind such orders, rules, and regulations as he may deem necessary to carry out the provisions of this Act, and to establish, from time to time, a schedule or schedules of reasonable fees or charges for services performed or for documents or other publications funished under this Act. It is the policy of this Act, to the fullest extent feasible and consistent with the objectives of this Act, that each of the services and functions provided herein shall be self-sustaining or self-liquidating and that the general public shall not bear the cost of publications and other

services which are for the special use and benefit of private groups and individuals; but nothing herein shall be construed to require the leying of fees or charges for serices performed or publications furnished to any agency or instrumentality of the Federal Government, or for publications which are distributed pursuant to reciprocal arrangements for the exchange of information or which are otherwise issued primarily for the general benefit of the public. *Such schedule or schedules shall, to the fullest extent feasible, reflect the costs of the products and services offered.*

Sec. 4.–7. * * *

TECHNICAL INFORMATION CLEARINGHOUSE FUND

SEC. 8. (a) (1) There is established in the Treasury of the United States the Technical Information Clearinghouse Fund (hereinafter referred to as the 'Fund'). The Fund shall be available to the Secretary, without fiscal year limitation, for use as a revolving fund to carry out clearinghouse activities.

(2) For purposes of this section, the term 'clearinghouse activities' means the activities authorized in this Act and any other activities lawfully assigned by the Secretary to the clearinghouse established under section 2 of this Act.

(b) There shall be deposited or included in the Fund—

(1) all fees, advances, and reimbursements received from any source for products and services furnished, or to be furnished, by the clearinghouse;

(2) all receipts from the sale, rental, or exchange of property used by the clearinghouse and all receipts in payment for any loss or damage to such property;

(3) all receivables, inventories, and other assets associated with clearinghouse activities; and

(4) any sums appropriated by law for the conduct of clearinghouse activities.

(c) (1) The Fund shall be available to the Secretary for the payment of all costs of conducting clearinghouse activities, including the payment of any financial obligations related to clearinghouse activities which were undertaken by the Secretary prior to the establishment of the Fund or which are subsequently transferred to the Fund by law or in conjunction with any reorganization authorized by law.

(2) As used in this subsection, the term 'cost' or 'costs' shall include all directly related expenses and appropriate charges for indirect and administrative expenses, including: accrued leave; uncollectible accounts; cost of sales; developmental costs; depreciation; inventory obsolescence; and financial obligation related to clearinghouse activities undertaken before the establishment of the Fund or subsequently transferred to the Fund by law or in conjunction with any reorganization authorized by law.

(d) The Secretary may refund from the Fund any fee paid by mistake or in excess of a required fee.

(e) At the close of each fiscal year, the Secretary shall transfer to the general fund of the Treasury any amount in the Fund that exceeds any present and reasonable future requirements of the Fund.

(f) There is authorized to be appropriated to the Secretary not to exceed $5,000,000 for working capital for the Fund.

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NATIONAL BUREAU OF STANDARDS AUTHORIZATION

MARCH 31, 1983.—Ordered to be printed

FILED UNDER AUTHORITY OF THE ORDER OF THE SENATE OF MARCH 24 (legislative day, MARCH 21), 1983

Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

[To accompany S. 821]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 821) to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards for fiscal year 1984, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill do pass.

PURPOSE OF BILL

The purposes of the bill as reported are to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards (NBS), including certain special statutory programs, and to assist NBS in carrying out its responsibilities under the Organic Act of 1901. The bill as reported authorizes appropriations of $114.8 million for fiscal year 1984 for the NBS and $4.752 million for fiscal year 1984 for the Office of Productivity, Technology and Innovation.

BACKGROUND AND NEED

NBS, the Nation's oldest national laboratory, was established by Congress in 1901. The NBS Organic Act of 1901 (Public Law 56-177), as amended in 1950, sets forth the primary NBS mission,

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which is to develop national standards of measurement for use in scientific research, engineering, manufacturing and commerce. These standards provide the basis for the exchange of goods, accurate specification and compatibility of products, and quality control methods for production. NBS is authorized to: (1) develop, maintain and disseminate standards of physical and chemical measurements; (2) determine the properties of physical materials; (3) develop test methods for materials, mechanisms and structures; (4) establish standard practices in cooperation with other government agencies and the private sector; and (5) provide technical advisory services on a reimbursable basis to other Federal agencies. In addition to its primary responsibilities under the NBS Organic Act, NBS has direct or implied responsibilities under an additional seventeen statutes.

NBS is unique as a Federal agency in having an extremely broad mission which is relevant to nearly every national problem area and economic sector. The capabilities of NBS can be applied to a wide range of problems that affect economic development, enhanced innovation and productivity, and the use of energy and material resources. In addition, NBS has an important role in facilitating the transfer of technology between government, industry and academia.

NATIONAL BUREAU OF STANDARDS

The administration's budget request for NBS for fiscal year 1984 totaled $98,700,000. A breakdown of that request is found in table 1. The proposed budget for fiscal year 1984 represents a decrease of $19,100,000 (19 percent) from the fiscal year 1983 appropriation of $117,800,000. The major programmatic decreases from fiscal year 1983 reflect the administration's intent to: (1) eliminate the Center for Fire Research ($5,886,000 in fiscal year 1983); (2) eliminate the Center for Building Technology ($4,009,000 in fiscal year 1983); (3) reduce funding for the Institute for Computer Sciences and Technology (ICST) ($7,000,000 reduction from fiscal year 1983 level of $10 million to a fiscal year 1984 level of $3 million); (4) terminate the recycled oil processing program ($1 million in fiscal year 1983); (5) reduce the automated manufacturing research facility ($1,149,000 reduction from fiscal year 1983 level of $1,559,000 to a fiscal year 1984 level of $410,000); (6) reduce the direct appropriation for the Standard Reference Materials ($438,000), National Voluntary Laboratory Accreditation ($700,000) and Measurement Assurance programs ($1,933,000) and concomitantly increase the user fees for these programs and; (7) allow a one-time reduction of $2 million originally set aside for the purchase of a new large-scale computer in fiscal year 1984 to be added back in fiscal year 1985 when the computer will actually be purchased.

In addition to a direct appropriation, NBS receives reimbursements and fees for technical advisory services and other work performed for government agencies and the private sector. Table 2 shows the estimated operating funds expected from all sources in fiscal year 1984. The total operating budget for NBS in fiscal year 1984 is expected to be $171.2 million.

TABLE 1.—COMPARISON OF FISCAL YEAR 1984 BUDGET REQUEST WITH FISCAL YEAR 1983 FUNDS AVAILABLE FOR NATIONAL BUREAU OF STANDARDS

[Amounts in thousands]

	Fiscal year—	
	1983	1984
Measurement research and standards:		
(1) Fundamental physical measurements and standards	(10,361)	(11,315)
(2) Radiation measurements and standards	(8,467)	(9,306)
(3) Analytical chemical measurements and standards	(2,314)	(2,511)
(4) Materials characterization, processing and performance	(14,106)	(15,300)
(5) Chemical properties and processes	(3,184)	(3,463)
(6) Measurement technology transfer	(6,127)	(4,654)
(7) Applied measurement program	(2,957)	(2,160)
Subtotal	47,516	48,709
Engineering measurements and standards:		
(1) Building research	(4,009)	(—)
(2) Signals and systems metrology	(5,591)	(5,961)
(3) Chemical engineering metrology	(3,642)	(3,971)
(4) Engineering and product standards	(3,427)	(3,072)
(5) Mathematical sciences	(5,013)	(5,503)
Fire research	5,886	
Computer sciences and technology	10,000	3,000
Core measurement research for new technology	13,107	12,407
Central technical support	19,670	16,077
(1) Technical competence	(6,986)	(7,672)
(2) Central technical support	(12,684)	(8,405)
Subtotal	21,862	48,507
Total, National Bureau of Standards	117,861	98,700

TABLE 2.—TOTAL ESTIMATED NBS OPERATING FUNDS IN FISCAL YEAR 1984—ALL SOURCES

[Amounts in millions]

	STRS Appropriation	Reimbursements from other Federal agencies and private sector	Total
Measurement research and standards:			
Fundamental physical measurements and standards	11.3	4.1	15.4
Radiation measurements and standards	9.3	6.1	15.4
Analytical chemical measurements and standards	2.5	5.1	7.6
Materials characterization, processing, performance	15.3	8.4	23.7
Chemical properties and processes	3.5	2.0	5.5
Measurement technology transfer	4.7	5.6	10.3
Applied measurement program	2.1	0.6	2.7
Subtotal	48.7	31.9	80.6
Engineering measurement and standards:			
Building research		8.8	8.8
Signals and systems metrology	6.0	7.9	13.9
Chemical engineering metrology	4.0	5.0	9.0
Engineering and product standards	3.0	0.4	3.4
Mathematical sciences	5.5	0.9	6.4
Technical reimbursable services		4.0	4.0
Subtotal	18.5	27.0	45.5
Fire research subtotal		2.1	2.1

TABLE 2.—TOTAL ESTIMATED NBS OPERATING FUNDS IN FISCAL YEAR 1984—ALL SOURCES—Continued

[Amounts in millions]

	STRS Appropriation	Reimbursements from other Federal agencies and private sector	Total
Computer Sciences and technology:			
ADP standards development	3.0		3.0
Science and technology advisory services		2.0	2.0
Subtotal	3.0	2.0	5.0
Core measurement research for new technologies (subtotal)	12.4	6.5	18.9
Central technical support:			
Technical competence	7.7		7.7
Capital transfer and facilities	8.4		8.4
Subtotal	16.1		16.1
Nontechnical support services		2.9	2.9
Total, NBS	98.7	72.4	171.2

Findings from the hearing

The Committee held a hearing on February 22, 1982 on the fiscal year 1984 budget for NBS. The Director of NBS presented the administration's budget request and described the programmatic changes that such a budget would entail.

The Committee also received testimony from the Chairperson of the Steering Committee for the National Academy of Sciences Evaluation Panel for NBS, the former Chairman of the National Fire Prevention and Control Commission, and the President of the Computer and Communications Industry Association. While all three witnesses expressed high regard for the quality of the research performed at NBS, great concern was expressed over the administration's proposals to reduce or terminate several programs, as discussed below.

CENTER FOR FIRE RESEARCH (CFR)

Fire research is conducted at NBS in the CFR, under the directive of the Fire Prevention and Control Act of 1974 (Public Law 93-498). Prior to fiscal year 1983, funds for this program were passed through the U.S. Fire Administration to NBS. In fiscal year 1983 the funds were converted to a direct line-item appropriation to NBS. The CFR does fundamental as well as applied research in areas such as combustion toxicology, flame chemistry and fire dynamics. In addition to the in-house research program, CFR funds an extramural grants program (totalling about $2 million dollars in fiscal year 1983) to thirty universities and research institutions. The fire research program at NBS is recognized for its excellence, particularly in the mathematical modelling of fire spread. The consensus of the Evaluation Panels, the Statutory Visiting Committee and outside witnesses, as well as numerous private sector groups which submitted statements for the record, is that continued Feder-

al support of the CFR is necessary because of its unique role in support of fire research and the training of fire scientists.

CENTER FOR BUILDING TECHNOLOGY (CBT)

The Center for Building Technology is a division of the NBS National Engineering Laboratory. The CBT provides the technical basis for building standards, codes and specifications and also conducts analytical, laboratory and field research in engineering and physical sciences related to building construction. The program benefits owners, occupants and the construction industry by providing integrated, nonproprietary research data on building materials, systems and components. The CBT research has led to improvements in Federal, State and local codes and specifications, which have, in turn, resulted in: (1) reduced building costs; (2) improved testing and quality control of building materials and components; and (3) greater reliability and durability. In addition, the NBS responsibility under the Earthquake Hazards and Reduction Act of 1977 is carried out by CBT. Direct appropriations account for about 30 percent ($4,009,000) of the total operating expenses at CBT, with the balance ($8,380,000) coming from other Federal Agencies and private industry. The Evaluation Panels, Visiting Committee and representatives of the construction industry believe that the work at CBT is uniquely valuable to a major U.S. industrial sector and is worthy of continued Federal support.

INSTITUTE FOR COMPUTER SCIENCES AND TECHNOLOGY (ICST)

The ICST conducts its activities under several authorities. The primary statute is the Brooks Act (Public Law 89-306) which assigns to the Secretary of Commerce the responsibility to develop and recommend uniform Federal automated data processing (ADP) standards and to undertake necessary research in computer science and technology. The Evaluation Panels consider ICST a leader in many fields of computer science, particularly in network interface protocols and data encryption. The Evaluation Panels as well as representatives of the private sector (computer and communications equipment manufacturers and user industries) consider ICST a vital part of the process of development of voluntary computer standards, both nationally and internationally.

COMMITTEE VIEWS

The Committee reported an amendment to S. 821, the National Bureau of Standards Authorization Act for fiscal year 1984, in the nature of a substitute, on March 22, 1983. The bill, as reported, authorizes the appropriation of $114,800,000, plus additional sums as may be necessary for adjustments in salary, pay, retirement and other employee benefits for NBS. This sum is $16,100,000 more than was requested by the administration. The additional amount will support the Center for Fire Research, the Center for Building Technology and the Institute for Computer Sciences and Technology at fiscal year 1983 levels.

The administration requested a 2-year authorization, with a request for fiscal year 1985 of "such sums as may be necessary." The

Committee does not believe an open authorization is justified; thus, S. 821, as reported, provides authorization only for fiscal year 1984.

The Committee strongly supports the need to reduce Federal spending. The Committee has thoroughly examined the NBS budget and programs to determine how they can best accomplish the goals set forth in the Organic Act and carry out other mandated activities at the level of funding requested by the Administration.

The Committee agrees with the amendment to the NBS Organic Act (section 7) relating to cost recovery authority for NBS. The Committee believes that allowing NBS to charge for products and services at the replacement cost and to use the net income from the sales of these products and services to replace inventories will reduce or eliminate its reliance on additional direct appropriations to cover replacement costs. This is exemplified in the budget reduction of $438,000 for Standard Reference Materials (SRM's). This amount was appropriated to cover the gap between original and replacement costs (due to inflation) of SRM's. Implementation of the cost recovery authority would make such a periodic appropriation unnecessary. It is the Committee's view that those costs associated with the actual delivery of products and services should be borne by the users. However, costs incurred by NBS for research and development of new products and services are appropriately the responsibility of NBS and should not be passed along to the users but, rather, supported through NBS's direct appropriation.

The Committee has concluded that the CFR, CBT and ICST perform valuable services for the nation which the private sector is not able to assume.

The Committee developed its recommendations as a result of the hearing of February 22, 1983, the annual reports from the National Academy of Sciences Evaluation Panels, the NBS Statutory Visiting Committee, and statements and informal views expressed by many individuals in the private sector.

CENTER FOR FIRE RESEARCH

The administration has proposed the elimination of CFR. Both the testimony received at the hearing and other communications to the Committee confirm the judgment of the Committee that such a step is ill-advised and unwarranted.

The fire research program is the only Federal research effort aimed at reducing annual fire losses, particularly from residential fires. The U.S. continues to be among the leading nations in incidence of building fires and fire-related deaths on a per capita basis. Fires in residences account for 46 percent of the dollar losses and 77 percent of the fire-related deaths. The results of the research performed at CFR are used by designers, builders, standards committees and state and local codes officials to prevent fires, and to develop efficient fire-control practices. Through its grants program, CFR provides the link between university research and the needs of fire technology. This role is consistent with the Administration's policy to support education and training in the context of Federally funded research.

The private sector, either in contract research laboratories or in individual corporations, has neither the incentive nor the resources to conduct a comprehensive broad-based fire research program such as exists at NBS. Private efforts, such as those conducted by the Factory Mutual Research Corporation, are mission-oriented and relatively narrow in scope. Factory Mutual, for example, addresses fire protection and loss reduction in industrial buildings. Factory Mutual has stated that its small effort in fundamental fire research would probably cease should CFR be terminated and, in any case, could not be expanded.

The Committee is not convinced that the private sector would assume the role of carrying out primary research in the fire sciences. Moreover, the Committee believes that a credible, neutral source of information such as that found in CFR is essential to protect the public interest as well, since the work performed at CFR affects public health and safety.

CENTER FOR BUILDING TECHNOLOGY

The administration has also proposed the elimination of CBT. Numerous communications to the Committee confirm the judgment of the Committee that such a step is ill-advised and undesirable. The building research program at CBT is in much the same situation as the CFR. The construction industry is highly disaggregated. Few of the industries are equipped to conduct comprehensive or integrated research dealing with structural engineering, building materials, building equipment or systems. Most of the work that is carried out in industry is proprietary in nature, and the effort tends to focus on new product development and does not address the diverse technical problems of the building community. Several industries and Federal agencies fund generic research at CBT which is oriented toward performance and evaluation, precisely because of the high-quality technical expertise and unique experimental facilities available nowhere else.

CBT also provides nonproprietary information for use by building code officials in revising codes and determining compliance.

The Committee is not convinced that the private sector could or would assume the role of carrying out primary research in the building sciences. The Committee believes that the research performed at CBT is vital to public health and safety, and is worthy of continued support.

The Committee intends that NBS fund CBT at the FY 1983 level ($4,009,000). Moreover, funding for CBT should not be at the expense of other essential programs in NBS. The Committee bill provides funding for CBT at a level equivalent to fiscal year 1983.

The Committee does urge that NBS interact more vigorously with both private sector and other government agencies to ensure that the total program of research at both CFR and CBT remains timely and appropriate to the needs of the user communities. The Committee believes that the Evaluation Panels for both CBT and CFR should continue to critically examine both the quality and relevance of the research and to put special emphasis on relevance as part of this examination.

INSTITUTE FOR COMPUTER SCIENCES AND TECHNOLOGY

The administration proposed a budget reduction of 70 percent ($7 million) for ICST. Both the testimony received at the hearing and other communications to the Committee confirm the judgement of the Committee that it is in the national interest for the Federal Government to conduct research and develop policies and standards for the rapidly growing field of information processing, and, as a result of these activities, to promote and strengthen the international competitiveness of the U.S. computer, telecommunications and data processing industries.

The functions of ICST in ADP standards setting and in technical assistance to other Federal agencies have resulted in substantial savings to the Government. The Federal Government spent an estimated $10 billion in fiscal year 1982 on ADP. The work of ICST has led to increased compatibility of equipment and software from different vendors and to increased productivity and reliability of software and hardware through conversion of older programs, data and system into new forms.

The Committee believes that the work performed by ICST is timely and appropriate. The Committee disagrees with the administration's view that these activities are more appropriate to the private sector. In fact, ICST already interacts very effectively with the private sector through American National Standards Institute (ANSI) and is the only U.S. entity recognized by the International Standards Organization (ISO). ICST acts as a catalyst in the development of voluntary standards and neither intrudes on the province of industry nor does it perform any regulatory function.

The Committee, moreover, agrees with the NAS Evaluation Panel that: (1) greater expenditures on research in ICST should be encouraged both for their results and to provide an environment that will stimulate and maintain the technical competence of the staff; and (2) substantially more attention to the education and clearinghouse function of ICST would be appropriate. The Committee believes the need for such an educational activity for use by both government agencies and the private sector is substantial. ICST is uniquely positioned within the existing governmental structure to perform this function. The Committee agrees with the Panel that the effectiveness of meeting the mandate of the Brooks Act could be greatly increased with an appropriate, well-directed effort in this area. The Committee is also very concerned that no funds were allocated for building technical competence in ICST in 1983. This remains the case in 1984. The Committee urges NBS to reexamine this policy.

The Committee believes that the proposed reduction of 70 percent will have a drastic effect on both the technical programs of ICST and on ICST's ability to participate in vital domestic and international standards activities. The Committee bill, as reported, restores funding for ICST at fiscal year 1983 levels.

The Committee, however, urges NBS to critically examine the allocation of overhead costs to the ICST budget. Since general overhead costs at NBS are largely attributable to maintenance of costly scientific laboratories and instrumentation in other programs, it

may be that the current method of allocation of these costs to ICST reduces unreasonably the availability of funds for ICST's activities.

OFFICE OF PRODUCTIVITY, TECHNOLOGY AND INNOVATION

The primary goal of OPTI is to stimulate increased technological innovation and productivity in the private sector. OPTI serves as the focal point, and as a catalyst, for the development of policies and cooperative activities between government, universities and industry in a variety of areas that influence industrial innovation and productivity. In addition, OPTI coordinates Federal patent policy, the voluntary conversion to the metric system and the implementation of the Stevenson-Wydler Technology Innovation Act (Public Law 96–480).

In fiscal year 1984, the administration requested $3,752,000 for OPTI activities. The Committee bill authorizes an additional $1 million for OPTI, for a total of $4,752,000, and directs that this money, if appropriated, be used to plan a new program involving industry, government, and universities in fundamental research on manufacturing technologies. The Committee believes that manufacturing engineering has been given a low priority for decades. The Committee recognizes that there is a fundamental weakness in our science and technology base and in our manpower training in this area.

LEGISLATIVE HISTORY

S. 821, a bill to authorize appropriations to the Secretary of Commerce for activities conducted by NBS, was introduced by Senator Gorton for himself and Senator Packwood on March 16, 1983. The bill differed from the administration's request in that it contained funding for the Center for Building Technology in the National Engineering Laboratory ($4,009,000) and the Center for Fire Research ($5,886,000), and increased funding for the Institute for Computer Sciences and Technology (up to $10 million). A hearing was held on February 22, 1983 by the Subcommittee on Science, Technology, and Space. On March 22, 1983, the Committee on Commerce, Science, and Transportation reported an amendment to S. 821 in the nature of a substitute which differed from S. 821 only in that it increased by $1 million the authorization for the Office of Productivity, Technology and Innovation.

Estimated Costs

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., March 24, 1983.

Hon. BOB PACKWOOD,
Chairman, Committee on Commerce, Science and Transportation, U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 821, the National Bureau of Standards Authorization Act for Fiscal Year 1984.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ALICE M. RIVLIN, *Director.*

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: S. 821.

2. Bill title: National Bureau of Standards Authorization Act for Fiscal Year 1984.

3. Bill status: As ordered reported by the Senate Committee on Commerce, Science and Transportation, March 22, 1983.

4. Bill purpose: S. 821 authorizes the appropriation of $114.8 million, plus such additional sums as may be necessary for adjustments in salary, pay, retirement and other employee benefits, for the National Bureau of Standards (NBS) in fiscal year 1984. In addition, $4.8 million is authorized to be appropriated in fiscal year 1984 for the Office of Productivity, Technology and Innovation (OPTI), and $0.7 million for use of excess foreign currency. The bill would also allow NBS to increase fees for certain goods and services to cover estimated replacement costs.

Fiscal year 1983 appropriations to date for the activities authorized by the bill are $117.9 million. The President's 1984 budget requests $98.7 million for NBS, including $3.8 million proposed for transfer to a working capital account.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1984	1985	1986	1987	1988
Authorization level:					
Specified (Function 370)	120.2				
Estimated (Function 920)	3.9				
Total	124.1				
Estimated outlays:					
Function 370	80.2	36.2	3.8		
Function 920	3.6	0.3			
Total	83.8	36.5	3.8		

Basis of estimate: For purposes of this estimate, it was assumed that the amounts authorized in the bill for 1984 would be appropriated prior to the beginning of the fiscal year. In addition, authorization for pay and other benefits increases of approximately $3.9

million were estimated based on CBO's baseline projections. Outlays reflect historical spending patterns.

According to the Department of Commerce, the additional NBS cost recovery authority could result in reductions of up to $0.5 million annually in the resources required in the NBS working capital account. Since the working capital account is funded by transfer from NBS programs, however, no change in authorization level or outlays relative to those specified in S. 821 would result from enactment of this provision.

6. Estimated cost to State and local governments: None.
7. Estimate comparison: None.
8. Previous CBO estimate: None.
9. Estimate prepared by: Mary B. Maginniss.
10. Estimate approved by:

JAMES L. BLUM,
Assistant Director for Budget Analysis.

REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the folowing evaluation of the regulatory impact of the legislation:

The bill, S. 821, as reported, provides authorization of appropriations to the Secretary of Commerce to carry out programs of NBS, including certain special statutory programs in fiscal year 1984.

The bill does not regulate business activity, or any private activity. The Committee concludes, therefore, that the implementation of this bill will have no impact on the personal privacy of any individual or business. No records will be required to be kept by any individual or business, nor will any reports need to be filed as a result of the enactment of S. 821.

SECTION-BY-SECTION ANALYSIS

Section 1

Cites the short title as the "National Bureau of Standards Authorization Act for Fiscal Year 1984".

Section 2

Authorizes appropriations totalling $114,800,000 for FY 1983 for the programs of the National Bureau of Standards.

Section 3

Authorizes appropriations of $700,000 for foreign currency expenses incurred outside the United States.

Section 4

Authorizes appropriations of $4,752,000 for the Office of Productivity, Technology and Innovation.

Section 5

Authorizes appropriations of such sums as may be necessary for adjustments in salary, pay, retirement and other employee benefits.

Section 6

Makes appropriations available for the period or periods specified in the acts making such appropriations.

Section 7

Amends section 12(f) of the National Bureau of Standards Organic Act of 1901 (15 U.S.C. 278b(f)) to:

1. allow NBS to retain proceeds from fee increases for goods and services and;
2. allow NBS to use this net income from goods and services provided to industry and other Federal agencies to replace equipment and inventories before net proceeds are paid into the general fund of the Treasury.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new material is printed in italic, existing law in which no change is proposed is shown in roman):

THE ACT OF MARCH 3, 1901

Section 12 of that Act

SEC. 12. (a)–(e) * * *

(f) The amount of any earned net income resulting from the operation of the fund at the close of each fiscal year shall be paid into the general fund of the Treasury: Provided, That such earned net income may be applied [first] to restore any prior impairment of the fund, *and to ensure the availability of working capital necessary to replace equipment and inventories.*

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